

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

March 21, 2005

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor

THRU: Dana Dean, P.E., Senior Reclamation Hydrologist, Team Lead

FROM: Wayne H. Western, Senior Environmental Scientist, Engineering, Bond

RE: Postmining Land Use Change, Canyon Fuel Company, Banning Loadout, Permit C/007/0034, Task ID # 2117

SUMMARY:

On May 26, 2004, the Division received a request for a change in the postmining land use for the Banning Loadout. Canyon Fuel Company (CFC) sold part of the permit area to East Carbonics Inc., who proposed to construct a CO₂ plant within the permit area and adjacent lands.

The change in the postmining land use would allow surface facilities such as the substation to remain as part of the postmining land use because the equipment would become part of the CO₂ plant. In addition, the area associated with the CO₂ plant would not be backfilled and graded because the current flat surface is needed for the construction and operation of the CO₂ plant.

To remove the area sold to East Carbonics Inc. from the permit area a Phase III bond release would have to be granted by the Division and OSM. After the Division granted Phase III bond release, CFC would have to amend the MRP to have the site for the CO₂ plant removed from the permit area.

The Division was told by CFC that they plan to close and reclaim the entire Banning Loadout Facility in the near future. The Banning Loadout was placed in temporary cessation, which was consistent with CFC claim to reclaim the site.

TECHNICAL MEMO

CFC proposes to remove references in the MRP to ship all coal mine waste from the Banning Loadout to the Soldier Canyon Mine. The reasons are that refuse pile was never constructed at the Banning Loadout, CFC never constructed a refuse pile at the Soldier Canyon Mine and CFC recently removed the refuse pile from the Soldier Canyon Mine MRP. Since no coal mine waste is at the loadout the amendment will allow the references to be removed. If CFC ships coal mine waste to the loadout then they will have develop a disposal plan before bond release could be granted.

On January 3, 2005, the Permittee responded to the Division's deficiencies associated with Task 1936.

TECHNICAL ANALYSIS:

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

Regulatory Reference: 30 CFR 784.2, 784.11; R645-301-231, -301-526, -301-528.

Analysis:

The change in the postmining land use to allow the construction of a CO₂ plant did not change the approved use of the Banning Loadout or how operations were conducted. The change in the postmining land use would allow CFC to leave the facilities that East Carbonics Inc. would need such as the substation intact after Phase III bond release.

Findings:

The information submitted in the amendment was adequate to meet the minimum requirements of this section of the regulations.

RELOCATION OR USE OF PUBLIC ROADS

Regulatory Reference: 30 CFR 784.18; R645-301-521, -301-526.

Analysis:

CFC will not relocate or use any additional public roads in connection with the change in the postmining land use.

Findings:

The information submitted in the amendment was adequate to meet the minimum requirements of this section of the regulations.

SPOIL AND WASTE MATERIALS

Regulatory Reference: 30 CFR Sec. 701.5, 784.19, 784.25, 817.71, 817.72, 817.73, 817.74, 817.81, 817.83, 817.84, 817.87, 817.89; R645-100-200, -301-210, -301-211, -301-212, -301-412, -301-512, -301-513, -301-514, -301-521, -301-526, -301-528, -301-535, -301-536, -301-542, -301-553, -301-745, -301-746, -301-747.

Analysis:

Disposal Of Noncoal Mine Wastes

CFC modified the disposal plan for noncoal mine waste by eliminating the specific contractor that picking up the waste and the specific waste disposal facility in the MRP. CFC replaced the specific contractor and disposal facility with the commitment to use a licensed contractor who would haul the noncoal mine waste to a licensed disposal facility. The Division approved the change in order to give CFC more flexibility. CFC is still required to comply with all regulations for disposal of noncoal mine waste.

Coal Mine Waste

In several sections of the amendment, CFC removed the commitment to ship all coal mine waste to the refuse pile at the Soldier Canyon Mine. CFC recently changed the operation plan for the Soldier Canyon Mine by removing the proposed refuse pile. CFC removed the proposed refuse pile at the Soldier Canyon Mine because they removed the proposed wash plant from the MRP.

The Banning Loadout is in temporary cessation and CFC plans to reclaim the site. In addition, no coal mine waste is on site and CFC has no plans to ship any coal mine waste to the loadout.

Some coal is on site when CFC submitted the amendment. The Division was told by Vicky Miller that CFC is negotiating with third party who is interested in buying the coal. No coal would be on site during reclamation if the sale East Carbonics Inc goes through.

The lack of an approved plan to dispose of coal mine waste from the Banning Loadout is a potential problem. Because the site is in temporary cessation and CFC plans to reclaim the site the Division decided not to take any action at that time. If CFC shipped coal mine waste to the

TECHNICAL MEMO

loadout or if coal mine waste was present when reclamation began the Division would require CFC to have plans for dealing with coal mine waste approved. Since CFC has an approved refuse site associated with the Dugout Mine the disposal of coal mine waste at the Banning Loadout should not be a problem.

Findings:

The information submitted in the amendment was adequate to meet the minimum requirements of this section of the regulations.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Analysis:

Mining Facilities Maps

Exhibit 5-2, Banning Loadout Surface Facilities, shows the location of the area for which CFC proposes to change the postmining land use and the area that they sold to East Carbonics Inc. The area with the blue hatching marked "Post Mining Land Use Change Area."

Certification Requirements

All maps submitted with the amendment were certified by a registered professional engineer.

Findings:

The information submitted in the amendment is adequate to meet the minimum requirements of this section of the regulations.

RECLAMATION PLAN

APPROXIMATE ORIGINAL CONTOUR RESTORATION

Regulatory Reference: 30 CFR Sec. 784.15, 785.16, 817.102, 817.107, 817.133; R645-301-234, -301-412, -301-413, -301-512, -301-531, -301-533, -301-553, -301-536, -301-542, -301-731, -301-732, -301-733, -301-764.

Analysis:

CFC should be able to restore the site to the approximate premining contours. The reason for that is the site is on level ground. The slope ranges from 1% to 2% and no major earthwork occurred during site development, with the exception of sediment ponds. Therefore, the site will be restored to the approximate original contours.

Findings:

The information submitted in the amendment was adequate to meet the minimum requirements of this section of the regulations.

BACKFILLING AND GRADING

Regulatory Reference: 30 CFR Sec. 785.15, 817.102, 817.107; R645-301-234, -301-537, -301-552, -301-553, -302-230, -302-231, -302-232, -302-233.

Analysis:

General

CFC needs to have two backfilling and grading plans. The first plan is based on the approved reclamation plan, which is that CFC would reclaim the site as shown on Exhibit 5-6, Final Contour Map.

The second plan must be based on how CFC would reclaim the site if the alternative post mining land use was implemented. At a minimum, CFC must develop a contour map that shows how the drainages in the reclaimed area would blend into the drainages in the CO₂ plant site.

Findings:

The information in the amendment does not meet the minimum requirements for this section of the regulations. Before approval CFC must provided the Division the following in accordance with:

R645-301-542.200, CFC must include two reclamation maps into the MRP, one map would be for reclamation under the approved plan and the second for reclamation if the postmining land use is implemented. At a minimum, each map should be at a scale of 1 inch equal 50 feet, which is the scale for the current surface facilities map. The map for the alternative postmining land use must show the final

TECHNICAL MEMO

reclamation contours and how the drainages at the site blend into the drainages at the CO₂ plant site.

MAPS, PLANS, AND CROSS SECTIONS OF RECLAMATION OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-323, -301-512, -301-521, -301-542, -301-632, -301-731.

Analysis:

Reclamation Backfilling And Grading Maps

The Division addressed the changes that are needed for the backfilling and grading map in the backfilling and grading section of the TA. To avoid duplication, the Division will not restate the deficiencies in this section. .

Certification Requirements.

The revised backfilling and grading maps must be certified by a registered professional engineer.

Findings:

The information in the amendment does is meet the minimum requirements for this section of the regulations.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

When the Division considers an alternative postmining land use change, they base the bond amount on the worst-case scenerio. The worst-case scenerio would involve reclamation of the entire site.

As part of the review process, the Division reviewed the bond amount. The Division reclamation estimate is \$344,000 and the bond amount is \$350,000. Therefore, the bond amount is adequate.

The bond information in the MRP is out of date. The calculations are based on 1995 figures. The Division will require that CFC update the bond calculations.

Findings:

The information in the amendment does not meet the minimum requirements for this section of the regulations. Before approval CFC must provide the Division the following in accordance with:

R645-301-830, CFC must give the Division update reclamation cost estimates. The Division will CFC cost data in 2005 dollars upon request. The Division updates the bond calculation at the beginning of each year for unit cost changes and escalation. The Division will give the Permittee a copy of the new reclamation cost estimates.

RECOMMENDATIONS:

The Division should deny the amendment until the above-mentioned deficiencies are resolved.